



OFFICE OF THE SECRETARY OF STATE

PO BOX 202801  
HELENA MT 59620-2801  
www.sos.mt.gov  
(406) 444-2034  
(406) 444-4249 (FAX)  
(406) 444-9068 (TTY)

Linda McCulloch  
Secretary of State

EXHIBIT 1  
DATE 2/13/09  
HB 358

HB358 Prohibit statewide office holders from end of term bonuses  
House State Administration, RM 455  
February 13, 2009 @ 9 AM  
Secretary Linda McCulloch's Testimony

Good morning Mr. Chair, members of the committee.  
For the record, I am Montana Secretary of State Linda McCulloch.

I am here today to firmly support House Bill 358, an act prohibiting statewide office holders from paying their appointed executive staff end-of-term bonuses.

I would like to thank Speaker Bergren for sponsoring this important piece of legislation and for showing a commitment to protecting Montana taxpayer dollars.

In January 2009, the Montana Department of Administration concluded that paying end-of-term bonuses to personal staff violates the Legislature's intent as expressed in state law.

Additionally, issuances of such large and undefined bonuses are not authorized by any law, including the state Employee Incentive Program.

I want to stress that I am not here today to oppose state employee performance awards that are based on exceptional accomplishments.

Awards that reward extraordinary work provide an incentive for continued performance.

After eight years as a statewide official, I have seen just how hard state employees work. The incentive program was developed to reward work above and beyond an employee's defined responsibility.

But those legal incentives are a far cry from large and questionable "walking-out-the-door money" payouts to appointed staffers at the end of their employment in an elected office.

Current law grants elected officials broad authority over their appointed staffs and the salary they receive. But end-of-term bonuses are unethical, and I think you will have a hard time finding a Montana taxpayer that disagrees with me.

By clarifying the legislature's intent, this bill could save Montana taxpayers money and help restore public trust in state government.

Thank you for your time and for your consideration of this bill.

3/17/20

# **State of Montana**

## **Governor's Efficiency Award and the Employee Incentive Award Program**



### **What's in it for me?**

#### **Cash and recognition!**

There are two categories for EIAP;

**Operational Improvements:** For operational improvements the award is \$500 or 40 hours of paid leave.

**Cost Savings Suggestions:** A cost savings award will be paid at 10% of the first \$100,000 plus 2% of the next \$100,000 of actual cost savings, up to a maximum of \$17,000. If the cost savings can be immediately calculated, the award can be made immediately.

If the cost savings cannot be calculated until after the suggestion is implemented, agencies will document the actual savings for the 12 months following implementation of the idea.

Monthly, or as often as appropriate, each agency's director will forward their nominations to the Governor's office to be considered for the Governor's Efficiency Award. Those honored with the Governor's Efficiency Award will receive a palladium medal presented by the Governor.

